

VZCZCXRO2376

OO RUEHDBU RUEHFL RUEHKW RUEHLA RUEHNP RUEHROV RUEHSR

DE RUEHVJ #0594/01 1321550

ZNY CCCCC ZZH

O 121550Z MAY 09

FM AMEMBASSY SARAJEVO

TO RHEHAAA/WHITE HOUSE WASHDC IMMEDIATE

RUEHC/SECSTATE WASHDC IMMEDIATE 0199

INFO RHEHNSC/NSC WASHDC IMMEDIATE

RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

RUEAIIA/CIA WASHINGTON DC PRIORITY

RHEFDIA/DIA WASHINGTON DC PRIORITY

RUEKJCS/SECDEF WASHDC PRIORITY

RUEKJCS/JCS WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 04 SARAJEVO 000594

SIPDIS

DEPARTMENT FOR D, P, EUR (FRIED/JONES); NSC FOR HELGERSON;

OVP FOR BLINKEN

FOR THE VICE PRESIDENT FROM THE AMBASSADOR

E.O. 12958: DECL: 02/01/2013

TAGS: [PGOV](#) [PREL](#) [MARR](#) [ECON](#) [KJUS](#) [KCRM](#) [PINR](#) [BK](#)

SUBJECT: BOSNIA - SCENESETTER FOR VICE PRESIDENT BIDEN'S
VISIT TO BOSNIA

Classified By: Ambassador Charles English. Reasons 1.4(b) and (d).

11. (C) SUMMARY: Mr. Vice President: welcome to Bosnia. Your visit here is being taken as a sign that "the U.S. is back" and ready to resume our traditional leadership role here. Bosniaks especially welcome the news, Croats as well, but Serbs are leery, believing new U.S. energy will be devoted to promoting a Bosniak agenda to erode the Serbs much-valued autonomy. Since the 2006 failure of constitutional reform, there has been a sharp and dangerous rise in nationalist rhetoric, reforms have stalled (in some cases there has been backsliding), and Serbs, Bosniaks and Croats have laid out sharply different visions of Bosnia's future as a state. While you will want to reassure the Bosnian public of the United States' enduring commitment to them and their Euro-Atlantic aspirations, you will also want to make clear to party leaders and politicians, including members of the Presidency, that we expect them to abandon narrow ethnic agendas and focus on reaching the difficult compromises necessary to move Bosnia forward. The rhetoric and actions of Republika Srpska (RS) PM Milorad Dodik and Bosniak member of the Tri-Presidency Haris Silajdzic (who you last saw in Munich at Wehrkunde) have been particularly problematic; your private exchanges with them about our expectations may well be the most important meetings of your visit. Since Dayton, our aim has been to maintain Bosnia as a single state and ensure that the state is strong enough for Bosnia to take its place and meet its obligations as a member of NATO and the EU; if left unchecked, the destructive politics of both men will put these goals at risk. Finally, your visit is an opportunity to underscore U.S. support for OHR, its agenda, and the new High Representative Valentin Inzko. Your joint appearance with Javier Solana will highlight the shared U.S.-EU commitment to Bosnia taking its rightful place in a Europe whole, free, prosperous and at peace. END SUMMARY

Bosnia: Heading in the Wrong Direction

12. (C) Bosnia has been heading in the wrong direction for fully three years now. The symptoms are easily identifiable: rising nationalist rhetoric; unwillingness on the part of political leaders to engage consistently in genuine dialogue and reach meaningful compromises; a stalled reform process, and in some cases, dangerous backsliding. The fundamental problem here remains that Bosniaks, Serbs, and Croats continue to differ in their visions about the type of Bosnia in which they want to live. Bosniaks want a strong, centralized state with governing structures that include minimal ethnic checks and balances, and want to abolish the

RS or at least completely change its character. Serbs, after years of attacking Dayton, have now embraced it. They want to maintain Dayton's entity-based structures and its weak state. Croats view the two-entity structure as inherently unfair and want their own entity. These divisions may not surface during your exchange with party leaders, who will want to make a positive impression, but they are there nonetheless. You will want to underscore to them that the U.S. commitment to Bosnia is enduring, but that they must abandon their narrow ethnic agendas in favor of working across ethnic lines to reach the compromises necessary for Bosnia's integration into Euro-Atlantic structures.

Warning Dodik

13. (C) The greatest danger to Bosnia remains Serb efforts to de-legitimize and undermine the Bosnian state. More recently, RS Prime Minister Milorad Dodik, with whom you will have a pull-aside, has begun a campaign to roll back previous reforms -- the very reforms that prompted NATO to invite Bosnia to join the Partnership for Peace in 2007 and the EU to sign a Stabilization and Association Agreement (SAA) with Bosnia in 2008. Dodik's aim appears to be -- at a minimum -- to restore to the RS the level of autonomy it enjoyed at the end of the 1992-95 war. Dodik has also regularly raised the prospect of an RS future outside of Bosnia and the possibility of an RS referendum on secession, though he will deny to you that secession is his goal. Dodik often claims that his rhetoric is designed to contain nationalist pressures within his Serb electorate, but he deliberately

SARAJEVO 00000594 002 OF 004

stokes Serb fears and uses nationalist rhetoric to defend himself from critics; for example, he has claimed that a state-led investigation into allegations that he was involved in corrupt deals that reportedly total as much as \$100 million is a Bosniak/international community plot to undermine the RS. Although Dodik's rhetoric sounds like absurd posturing to outsiders, the RS public takes it at face value and sees him as their defender. At a minimum, this creates a climate within the RS that makes it impossible for any politician, including Dodik, to make the compromises, stalling state-building reforms necessary to move Bosnia closer to NATO and the EU. You should underscore our commitment to Bosnia's territorial integrity while also noting that we have no interest in changing the country's two-entity structure. However, you should signal clearly that the new administration is not prepared to tolerate rhetoric or actions that undermine the state, and that there will be consequences for Dodik if he continues.

Reining In Silajdzic

14. (C) You last saw Bosniak member of the Tri-Presidency and leader of the Party for BiH (SBiH) Haris Silajdzic at the Wehrkunde Conference in Munich. Silajdzic's aides claimed around Sarajevo, particularly within influential Bosniak circles, that your brief exchange in Munich was evidence of Silajdzic's strong personal ties to you and a tacit endorsement by the new administration of Silajdzic's policies on such controversial issues as constitutional reform. The fact is that Silajdzic's intemperate statements, including his references to the RS as a genocidal creation, have deepened the ethnic divide and played into Dodik's hands; the fact that he has shied away from such remarks in recent weeks does not undo the damage of three years' actions. His "all-or-nothing" approach to key state-building reforms over the last three years has also provided Dodik with justification for rejecting them and for building up the RS at the expense of the state. Silajdzic's approach has also stoked Serb separatism. During your pull aside with him, we expect Silajdzic to claim that his approach is the only way to prevent Serbs from destroying the state and to ensure the development of a flourishing, tolerant, multiethnic Bosnian

democracy. You should underscore our commitment to Bosnia, but stress that we will not impose specific reforms, particularly constitution reforms, or participate in efforts that pit ethnic groups' interests against one another. You should urge him to take a more pragmatic approach and warn that his rhetoric deepens ethnic mistrust and will impede agreement. Silajdzic may ask you for U.S. support for Bosnia's quick progress towards a NATO Membership Action Plan (MAP) on political grounds. A recent NATO assessment made clear key defense reforms have stalled and that Bosnia is not ready for MAP, an assessment we share. We recommend you respond that the U.S. will support Bosnia's MAP once it has shown sufficient progress on its democratic and military reform agendas.

Backing OHR and the High Representative

15. (C) You will find the Office of the High Representative (OHR) a shadow of its former self. Its authorities have atrophied over the last three years under weak European leadership and "Bosnia fatigue" among the international community, particularly among Europeans. Nonetheless, we have stressed that the U.S. will support OHR as long as it remains open. Your short meeting and photo opportunity with recently appointed High Representative Valentin Inzko are intended to convey this message and underscore that the U.S. will not support OHR's closure until the PIC's 5-plus-2 agenda is fully implemented. Privately, you will want convey to Inzko that: a) we expect OHR to actively defend reforms that have already been implemented; b) we expect close, regular coordination on critical issues; and, c) we will back him, including use of the Bonn Powers, when clearly necessary.

The EU: Promising More Than It Can Deliver

16. (C) EU High Representative for Foreign and Security Policy

SARAJEVO 00000594 003 OF 004

Javier Solana will accompany you to Bosnia. His presence will underscore that the political agenda in Bosnia is shifting from one centered on Dayton to one centered on Europe. You will want to remind your interlocutors and the public that it is only natural that Brussels and the institutions of the EU will play a more prominent role in Bosnia as it moves towards Euro-Atlantic integration even as you stress that more Europe does not mean less America. Many Bosnians, particularly Bosniaks and Croats, are skeptical about the EU's ability to lead, however; and with good cause.

While Europe may believe that its "pull" is sufficient to overcome Bosnia's deep ethnic divisions or its dysfunctional state structures, the evidence suggests otherwise. As the Serbs have sought to undo previously required EU reforms, the EU response has been surprise followed by docility and bureaucratic hand wringing. A sense of consistency has been the element consistently missing in the EU's approach to Bosnia. You will want to use your time with Solana to encourage the EU to take a more robust approach to Bosnia's challenges, particularly to lay down realistic and well-argued benchmarks that it is prepared to apply in a resolute and consistent fashion. You should also underscore our commitment to transition to EUSR, but only after full implementation of the OHR's 5-plus-2 agenda.

Economic Crisis Compounds Political Challenges

17. (C) Bosnia remains one of the poorest countries in Europe and has yet to fully recover from the 1992-95 war. GDP per capita is only roughly \$4,400. Economic growth over the past few years was an encouraging six percent annually, but the global economic crisis has now reached Bosnia. The International Monetary Fund (IMF) estimates that GDP will decline by three percent in 2009 and not begin to recover until 2010. The market for key exports has collapsed;

unemployment is at 23 percent (and higher among young people); and, the two entities have both seen their budgets move into serious deficits. Although various plans have been announced to mitigate the effects of the crisis, little has actually been done. The cash-strapped entity and state-level governments have just concluded a staff-level agreement with the IMF for a new standby arrangement that, if approved by the IMF Board in July, will provide \$1.5 billion over three years. Bosnian governments must first, however, meet the IMF's requirements to cut and rebalance budgets, adopt a new excise tax law to increase revenues and adopt a new coordinated budget framework, but like so much here, these reforms could easily become mired in the country's ethnic politics.

Deliverables: Locking in an Afghanistan Deployment...

18. (C) Bosnian politicians have been able to reach agreement across ethnic lines to support contributions to peacekeeping missions abroad, and these deployments have advanced our defense reform agenda here. (Note: Bosnian infantry and explosives ordinance disposal units served successfully and capably alongside U.S. troops in Iraq. End Note) Bosnians are moving towards a new deployment to Afghanistan, but we are urging them to make a useful rather than nominal contribution to ISAF (i.e., at a minimum an infantry company to Afghanistan for fixed-site security). This issue could come up during your meeting with the Tri-Presidency, whom the Ministry of Defense has asked to approve a deployment (but of an indeterminate size). If so, we suggest you lock in a political commitment from the three members of the Presidency to deploy an infantry company.

...And Return of Another Guantanamo Detainee

19. (C) In 2008, a Federal judge ordered the release of five of six Algerians detained in Bosnia in 2001 as suspects in a bomb plot against the Embassy. They were subsequently detained at Guantanamo Bay. Three of the five, those who are dual Bosnian-Algerian citizens, were repatriated to Bosnia in December 2008. The fourth is being accepted by France. The fifth, Sabir Lahmar, insists on repatriation to Bosnia for family reasons, but has no claim to Bosnian citizenship. We

SARAJEVO 00000594 004 OF 004

have been working with Bosnian officials to accept him despite his criminal record here. If your schedule includes a pull-aside with PM Nikola Spiric, you should acknowledge Spiric's efforts on our behalf and encourage a positive answer on Lahmar.
ENGLISH